

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Italy

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### **Agricultural News for Italy and the EU – August 2010**

**Report Categories:**

Agriculture in the News

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**Report Highlights:**

Report contains Italian and EU agricultural news items of interest for the month of August 2010.

## General Information:

### ITALY

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#### Italian GMO Probe Could Shape Co-existence Laws



Italian Ministry of Agriculture authorities are using an instance of 'illegal' GMO cultivation as a case study on how co-existence rules could work in the country. Earlier this year an Italian farmer in Friuli Venezia Giulia broke the de facto national moratorium on biotech crops, which sparked the destruction of his fields by environmental activists and an investigation from Rome. Following the analysis of the site 15 of the 30 surrounding fields showed a positive presence of the Mon810 crop variety, however, in no case did the presence exceed the 0.9% threshold above which food and feed are legally considered 'genetically modified'. Minister Galan has instructed the national research body (CRA – Centro Ricerche Agricoltura) to carry out additional tests in order to feed into work on establishing coexistence guidelines. The ministry indicated that a "new phase of study and research" is being entered.

Even though Mon810 was approved for cultivation in the EU in 1998, Italy has kept the biotech crop off its fields. Concerns over coexistence in fact underpin the Italian government's requirement for specific national approval (additional to the EU mandate) when farmers want to grow GMOs. After adopting the Commission's 2003 Recommendation on the coexistence of organic, conventional and transgenic crops, the country's Ministry of Agriculture established a moratorium on GM crops until regional coexistence plans were put in place. Something that still does not exist. There have been recent indications that the government is preparing to adopt a more science based approach. Italian Environment Minister Prestigiacomo showed her support for a scientific and "non-ideological" approach to biotech, only days after former Minister Zaia drew up the decree to ban GMO cultivation in the country and Minister Galan himself has expressed his own openness to innovation. *Agra Europe*

#### Lavazza Buys Stake in U.S. Coffee Company

Italian coffee giant Lavazza will acquire a 7% stake for \$250 million in a U.S. company - Green Mountain Coffee Roasters (GMCR). The acquisition is the biggest investment the family-owned Italian company has made abroad. Lavazza, founded in 1895, is one of the world's largest coffee manufacturers and the coffee retail market leader in Italy. *ANSA*

#### Italians Losing Taste for Home Grown Beef

Italian consumer demand for national beef and veal has weakened in 2010, continuing the decline from last year. The lower purchasing power of Italian families resulting from the economic downturn has shifted demand towards cheaper products, sourcing imported beef from northern and eastern Europe. *Agra Europe*

### **Fake Italian Tomato Paste Confiscated**

The Carabinieri Anti-fraud Unit of Parma discovered a huge fraud scheme carried out by an Italian company specialized in the manufacture of tomato paste. The investigation revealed that the company was selling tomato paste destined to be exported abroad labeling the product as made in Italy but manufactured with Chinese tomato paste. *Italian Ministry of Agriculture*

## **THE EUROPEAN UNION**

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### **EU Set to Clamp Down on Cloned Meat**

Companies hoping to sell food from cloned animal offspring could soon be subject to much tougher controls than at present. Both the European Council and the Parliament have already made clear they are in favor of a ban on selling meat from the first generation of cloned products, but where they differ is on how to implement the ban. Originally the Commission argued that since offspring are not produced by novel techniques they cannot be classed as novel foods. The European Food Safety Authority (EFSA) has noted that there is no evidence that consuming products from healthy clones or their offspring poses a food safety risk. Currently companies wanting to sell cloned meat on the market apply to a single member state, which submits the application to its competent national food assessment body for initial safety assessment. This is then sent to the other member states and the Commission for comments. If neither the Commission nor the member states raise any objection, the applicant may place the product on the market. *Agra Europe*

### **Berlin appeals court upholds case against copycat parmesan**



A Berlin appeals court has upheld a ruling ordering a German food company to stop producing a product that mimics Italy's Parmigiano Reggiano. The court stated that the German company was violating EU regulations on protecting the authenticity of quality foods by using the name 'parmesan' for a German cheese. The German company had argued that 'parmesan' had become a generic term for grated cheese. The Italian Parmigiano Reggiano Consortium, which owns the EU's Protected Designation of Origin (PDO) status, said the court ruling was especially important because it "fully acknowledged the Consortium's right to defend itself in European courts". Several years ago the Consortium managed to stop a U.S. cheese maker from using the word Parmigiano on its' grated cheese and in 2003 lobbied to have an Italian sounding American parmesan cheese producer banned from admission to the United Nations Food and Agriculture Organization's (FAO) Codex Alimentarius. *ANSA*

### **GM Field Trials in Europe Hit by Acts of Vandalism**

Increasing acts of vandalism against genetically modified (GM) field trials have occurred in France, Germany, Switzerland, Italy and the United Kingdom. In July, plots of herbicide-tolerant sunflowers were vandalized in the France. According to a recent article in the journal, *Nature Biotechnology*, the acts of vandalism are forcing research to shift away from Europe. The German University of Hannover is moving trials of its' GM pea lines to North Dakota, USA. The EU Court of Justice ruled last year that EU member states cannot prevent public access to information on the location of field trials on GM crops, and while laws are in place for the prosecution of perpetrators of acts of vandalism of GM crops convictions are rare.

*Agra Europe*

## **Organic Farming Strong in EU after Decade of Growth**

A new detailed report on the EU organic sector shows a major growth in organic planted areas over the past decade, while consumption of organic products still represents a small share of EU food markets. From 2000-2008, total organic planted area increased from 4.3 million hectares to an estimated 7.6 million hectares. The largest organic areas are in Spain (1.13 m ha), Italy (1.00 m ha), Germany (0.91 m ha), the United Kingdom (0.72 m ha) and France (0.58 m ha), whom together account for 56.8% of the EU total. Despite the increase in the organic sector it only accounts for 2% of total food expenses in the EU. More than 80% of the EU's organic produce is consumed in Germany, the UK, France and Italy. *Agra Europe*

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## **FEATURE STORY**

### **U.S. Farmers Want EU Trade Sanctions over GMOs**

American farmers are calling for sanctions against the EU's failure to comply with WTO rulings on GMOs. The American Farm Bureau Federation (AFBF), the biggest farm lobby in the U.S. has called upon the U.S. Trade Representative to "initiate a retaliation proceeding against the EU." The group's paper on 'Actions to Increase U.S. Agricultural Exports' takes issue with a host of SPS-based barriers to American exports, with particular focus on the role of the EU regulatory framework for GMOs. The AFBF states that "the EU has failed to comply with its WTO obligations to provide for a science-based, timely and predictable process for regulatory review of agriculture and food biotechnology products to force compliance with the WTO ruling on GMOs". It is recalled that the U.S. retains the right to impose sanctions on the EU, based on a 2006 WTO ruling which confirmed that the EU's biotech policy was obstructing trade without due scientific evidence. While sanctions were put off at the time to allow the EU to take steps to revamp its regulatory procedures, the AFBF argues that Brussels has not done enough to follow through on what was required - making it high time for retaliatory measures to be brought it.

According to the group, the "inability of the EU to operate a timely and predictable regulatory process" has done "substantial damage" to the American agriculture, making maize exports effectively impossible, reducing trade in maize by-products substantially, and - increasingly - threatening soybean flows. "Because of the EU's role in many African countries in particular, these actions are cutting off our trade not just with the EU but several other countries as well", the AFBF laments. The EU is currently in the throes of revamping its GMO cultivation framework, in a move which is intended to placate member state concerns on biotech and allow the centralized approvals process - applying to cultivation and import dossiers - to function more smoothly. Alongside the call for sanctions, the farmer group makes a broader appeal for the U.S. government's trade and agriculture branches to "place an emphasis on removing foreign SPS barriers to U.S. agricultural exports, in order to unlock new export potential." Additional contentions with EU border policy are raised in relation to SPS measures for meat. Referring to the long-standing 'beef hormone' dispute, the EU rules preventing sale of hormone-treated meat are said to be "still operating as a barrier to exports of all U.S. beef". The issue was ostensibly resolved last year through the opening of a special tariff-free quota for hormone-free American beef, while the ban was retained, but the AFBF claims that this is not an adequate resolution. On a similar note, the EU's ban on chlorine-treated chickens, which is said to have no scientific grounding, is also singled out as an unfair barrier to U.S. produce entering the European market.

The Obama administration has launched the 'National Export Initiative' with the goal of doubling U.S. exports over the coming years, and outflows of farm produce are seen as a key part of the effort. The U.S. currently runs a \$28 billion (€21.5bn) farm trade surplus, held up by the AFBF as evidence of "continuing strong world demand for the products from US agriculture". Alongside its calls for SPS barriers to be eliminated the group also advocates pursuit of a Doha Round agreement, and enactment of pending trade agreements with Colombia, Panama and South Korea, in order to further stimulate export flows. *Agra News*

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## **A GLOBAL PERSPECTIVE**

### **Insect-Protected GM Soybeans Achieves Commercialization in Brazil**

Monsanto has announced that the National Technical Biosafety Committee meeting in Brazil has approved their Bt Roundup Ready 2 Yield® soybean product for planting in Brazil. This is an important step toward the Brazilian commercialization of the first GM product Monsanto specifically developed for a non-U.S. market. The Monsanto product aims at protecting

Brazilian soybean farmers against insects that cause significant economic loss in soybean production in Brazil. *Monsanto Press Release*

## **FAS REGIONAL POSTS REPORTING**

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### **FAS ROME, ITALY**

#### **IT1034 – Poultry Outlook 2010**

The negative effects of the global economic crisis on European and Italian meat consumption have slowed broiler production growth by 4% in MY 2009. The Italian broiler industry fared better than the pork and beef industries. Based on available data, broiler meat production is expected to increase in MY 2010 by 4-5%. The broiler industry does not expect significant changes in MY 2010 both in total and in per-capita consumption.

#### **IT1035 – Agricultural News for Italy and the EU – July 2010**

Report contains Italian and EU agricultural news items of interest for the month of July 2010

### **FAS ATHENS, GREECE**

#### **GR1003 - Greece Grain Update August 2010**

Greece's economic crisis is affecting grain production, consumption, and trade. MY 2010/11 wheat production is forecast at 1,250,000 metric tons (MT), significantly down from the previous year (1,610,000 MT). MY 2010/11 barley consumption is expected to decrease by 21 percent to 417,000 MT, as a consequence of Greece's recession and the comparatively cheap price of corn.

## **FAS ZAGREB, CROATIA REPORTING**

#### **HR1010 - Biotechnology - GE Plants and Animals**

Croatia is a net food importer and government policy is geared towards raising agricultural productivity and, to a lesser extent, limiting imports. EU membership is also a priority for the Croatian government, and new laws and agricultural policies increasingly mirror those of the EU. The Croatian public remains very skeptical about agricultural biotechnology. There has also been a general demonization of U.S. food products as "Frankenstein Foods." In Croatia, several pieces of legislation have been introduced to regulate the importation and cultivation of biotech crops and foods.

#### **HR1011 - Grain Update**

Croatia's grain harvest for MY 2010/11 was greatly affected by rainy weather and floods in May/June. The MY 2010/2011 wheat crop was sowed on about 140,000 hectares (ha) with total production estimated between 500,000 to 600,000 metric tons (MT). Low production even when combined with carryover stocks will limit Croatian grain exports. The MY 2010/2011 corn crop was sowed on about 350,000 ha with expected production of 2.2 MT, which could lead to approximately 150,000 MT of corn exports. The MY 2010/2011 barley crop was sowed on about 50,000 ha and resulted in low-quality grain production estimated at slightly below 200,000 MT, leading to potential imports of about 100,000 MT.

## **FAS SARAJEVO, BOSNIA REPORTING**

#### **BK1006 - Grain Update**

Bosnia and Herzegovina (BiH) annually imports 350,000 - 400,000 tons of wheat. The price of flour has already augmented

from 30 to 50 percent since the start of the wheat price increase. However, the price of bread has not yet increased. Bread prices augmented during the increase in world food prices two years ago, but did not return to previous levels when prices collapsed. The Ministry of Trade officials believe there is no justification for milling and bakery industries to raise the price of flour and bread yet because the millers have stocks that were bought before the latest wheat price increase.